

WASHINGTON, D.C. - Congressman Sam Farr (D-Carmel) on Thursday introduced legislation to fix a flaw in the application of a federal Medicare formula that results in lower Medicare reimbursements for doctors in more than a dozen California counties, including Monterey, San Benito and Santa Cruz counties.

"Health care providers in a handful of California counties are being inaccurately compensated for Medicare procedures, making it hard for many residents to find doctors willing to treat them," Rep. Farr said. "This bill will correct a glaring oversight and ensure that our families have the health coverage they need and the choice they deserve. It's my hope that this bill will be incorporated into comprehensive health care reform later this year, and I'm looking forward to working with all stakeholders to make sure that happens."

The bill, called the GPCI Justice Act (H.R. 2820), would solve a problem involving a formula known as the Geographic Practice Cost Index, or GPCI. In 1966, when the formula was initiated, counties were designated as either "rural" or "urban," with the expectation that those designations would be updated every few years. That never happened, and as a result, doctors in counties that have seen economic growth are being compensated at levels significantly lower than those in nearby counties.

Rep. Farr's bill would not affect the reimbursement formula itself, but rather force CMS to update its geographic designations using Metropolitan Statistical Area (MSA) data. Designations would be immediately updated, then again every three years to keep reimbursements in line.

"This is a welcome breakthrough on a problem that has reduced access to care for years," said Dr. Dev A. GnanaDev, president of the California Medical Association. "As costs have risen in places like Santa Cruz, Monterey and San Benito counties, Medicare reimbursements have not kept up, and that has resulted in fewer doctors being able to serve those patients. This legislation provides a fix without punishing other counties. CMA applauds the efforts of U.S. Rep. Sam Farr and Sen. Dianne Feinstein to ensure California's seniors have access to health care."

The bill, which was also introduced in the Senate today by Sen. Diane Feinstein (D-Calif.), will now be assigned to various legislative committees in the House. However, Rep. Farr is working

behind the scenes to have the bill's language included in comprehensive health care reform expected later this year.

"We're seeing a unique situation this year where both parties are agreeing that health care reform must be taken up," Rep. Farr said. "The contents of this bill are a logical fit into a larger reform bill, and are absolutely necessary to maintain a safety net for our seniors."

More about the bill:

- Counties that would see a geographic designation change: El Dorado, Monterey, Placer, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Joaquin, San Luis Obispo, Santa Barbara, Santa Cruz, Sonoma and Yolo.
- Marin County, which is already labeled as "urban," would also see increases because its MSA includes San Francisco.
- The legislation is limited to California, establishing the state as a pilot program. If successful, the changes could later be applied nationwide.
- The fix includes a hold-harmless clause, meaning other counties designated as "rural" won't suffer when the updates take place.
- Use of MSA data, updated annually, means the most current information will be used in geographic designations. Also, CMS already uses MSA data for hospital reimbursements.
- Studies by the Government Accountability Office, the Medicare Payment Advisory Commission and Acumen, a non-partisan policy research organization, have all concluded that the solution in Rep. Farr's bill is appropriate.
- Original co-sponsors to Rep. Farr's bill include Brian Bilbray (R-Carlsbad), Lois Capps (D-Santa Barbara), Susan Davis (D-San Diego), Anna Eshoo (D-Menlo Park), Bob Filner (D-San Diego), Mike Honda (D-San Jose), Duncan Hunter (R-Alpine), Darrell Issa (R-Vista), Mary Bono Mack (R-Palm Springs), Doris Matsui (D-Sacramento) and Lynn Woolsey (D-Petaluma).

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